

**Iowa Telecommunications & Technology Commission  
Grimes State Office Building, 1st Floor  
400 E. 14th Street, Des Moines, IA 50319**

**FINAL**

**November 17, 2011**

To ensure the most efficient use of State resources, the November 17, 2011, ITTC meeting was held via a video conference pursuant to Iowa Code section 21.8. A video conference call also ensured more Commissioners were able to participate in the meeting and reduced the risk of delays caused by weather or other impediments to travel. The meeting was accessible to members of the public through attendance at the Grimes State Office Building.

**Commissioners Present**

Betsy Brandsgard, Chairperson (via video-conference)  
Shannon Cofield, Member (on-site)  
Richard Bruner, Member (via video-conference)  
Robert R. Hardman, Member (via video-conference)

**Commissioners Absent**

Tim Lapointe, Member

**Iowa Communications Network Staff Present:**

Dave Lingren, Executive Director  
Joseph Cassis, Chief Communication Officer  
Will Walling, Network Operations and Engineering Director  
Phil Groner, Business Services Manager  
David Marley, Network Operations and Engineering Manager  
Mark Johnson, Administration Director  
Deb Evans, Finance Manager  
Jontell Harris, Information Specialist 1  
Tami Fujinaka, Government Relations Officer  
Alexis Slade, Executive Secretary (Recorder)

**Guests:**

Terry Rinehart, Iowa Public Television (IPTV)  
Aaron Beckerman, Iowa Network Services (INS)  
Brad Berg, Board of Regents (BOR)  
Amy Kuhlert, Connect Iowa  
Meghan Gavin, Attorney General's (AG) Office  
Anna Hyatt-Cozier, House Democratic Staff  
Ken Colwell, Education Telecommunications Committee (ETC)  
Randy Hayes, University of Northern Iowa (UNI)  
Joe Coon, Mississippi Bend Area Education Agency (AEA)  
Marcia Tannian, Legislative Services Agency (LSA)

**Call to Order**

Commissioner Brandsgard called the meeting to order at 10:06 am. It was noted that a quorum of members was present for the meeting.

**Approval of the 9/15/2011 and 10/19/2011 Meeting Minutes**

Commissioner Bruner moved to approve the September 15, 2011 and October 19, 2011, meeting minutes; Commissioner Cofield seconded the motion: A roll call vote was taken. Minutes approved unanimously.

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*Approved at the January 19, 2012, ITTC Meeting*

Commissioner Cofield – Yes  
Commissioner Bruner – Yes  
Commissioner Hardman – Yes  
Commissioner Brandsgard – Yes

## **Old Business**

### **BTOP Grant Update – Joseph Cassis**

The National Telecommunications Information Administration (NTIA) measures the success of administration of the ICN's grant by the number of Community Anchor Institutions (CAI's) served, such as libraries, hospitals, and schools, etc. ICN served a total of 1,088 CAI's which is above ICN's base line. NTIA also measures progress by the dollars drawn down from the ICN grant account. ICN has drawn down, from the \$16.2 million awarded, a little over \$5 million. The ICN has spent approximately 32 percent of the 67 percent that must be spent by the end of year two, June 30, 2012.

ICN has two grant sub-recipients.

- The Meskwaki Nation, or Sac and Fox Tribe, has posted their Request for Proposal (RFP) for construction to take their connection from the ICN to their school, clinic, and administrative center. To date the Sac and Fox Tribe has received "letters of intent" from 11 companies.
- The second sub-recipient, Decorah MetroNet posted their notice for the construction bidding.

Outreach to inform the citizens of Iowa about the BTOP project continues. ICN made presentations at the State Fair this summer. The ICN will have a booth at the Iowa Association of School Board conference being held at the Hy-Vee Center to discuss among other topics, the great opportunities BTOP will bring to the State.

## **New Business:**

### **Video Business Support Model (Action) – Joseph Cassis / Tami Fujinaka**

The Regional Telecommunications Committee (RTC) appropriation was created to facilitate the training, scheduling, and to support the equipment out in the field. Early appropriations were approximately \$2 million when the support mechanism was conceived and for the current fiscal year, the appropriation has decreased to \$992,000. The administrator of the appropriation is the IPTV Board on behalf of the ETC. The possibility of moving the allocation duties to the ICN is being considered, which is in line with the migration of the field technicians, the main video scheduling and the work order system from IPTV to the ICN. Those migration items have already taken place. Before ICN accepts that responsibility, research was done to better understand what the current process is. Findings identified elements that don't represent what the equipment and the support needs are out in the field. Another variable that wasn't considered in the current process was the "No Transmits." A facility can set up their video classroom or site and designate "No Transmit Hours" which prevents anyone from using the ICN classroom as a video site. This enables the room to be used for a regular classroom or even storage and they still receive money for that particular classroom. ICN believes the hours are not representative of the utilization and should not receive any of that funding because over the course of the year, that room was blocked out for some other reason.

The third aspect of all this is the classroom maintenance priorities. The RTC's, supported by Community College regions, may only have one technician serving the region and that person often has other duties, so the response does not always represent good quality service. Since the funding was originally allocated, people who were trained on the use of the equipment and how to utilize it properly have retired and the training hasn't always been passed on. ICN is looking at ways to enhance equipment support training. LAN support was also reviewed. Today, IP video is becoming very important. Funds were originally set up to support video scheduling connection at each site via the facility's LAN.

Also, Part III leases were very important in this and the ICN discovered that there were a number of these sites that were minimally active and the state is paying over \$604,000 annually to keep those connections in place. Some of those connections are still viable because they are using other services than video via their connection. In the proposal, ICN is focusing on usage and providing an incentive for those schools that may or may not have the ability at the current time to excel at providing those services to their students or end users, and in doing so, the funding could be set up for providing that incentive. ICN will also look at emergency situations.

The goals for equitable funding include:

- Providing effective and sustainable support for video classrooms with state-owned or state-leased connections and other telecommunication services to ensure students have access to educational resources;
- Providing effective video-conference scheduling support for entities with state-owned or state-leased connections;
- Ensuring there is accountability and transparency of the allocation and expenditures of the appropriated funds;
- Developing initiatives to increase video and broadband usage to optimize distance learning opportunities; technology migration initiatives such as the IP video;
- Providing an effective way to provide the services the ICN field technicians need.

Q. How does scheduling a "No Transmit" benefit the school?

A. If someone was considering using their site, they would know before trying to schedule if it is available for those hours. For example, some rooms with site limitations have to use their rooms for math classes for an hour a day.

Commissioner Hardman made a motion to approve the Video Support Business Model report as presented; Commissioner Bruner seconded the motion: A roll call vote was taken. Motion approved unanimously.

Commissioner Cofield – Yes

Commissioner Bruner – Yes

Commissioner Hardman – Yes

Commissioner Brandsgard – Yes

**ETC Video Business Support Model Comments– Ken Colwell**

The Video Business Support Plan notes a shift in the philosophy for funding. Before the effort was just to get sites up and running and now the goal is to get people to use the sites more and this plan supports that new goal. Migrating video to IP rather than using the Mpeg system that's currently used is going to make it easier for people to use the ICN because a school won't be limited to only the classrooms they have ICN video equipment in.

### **K-12 Connections Quarterly Report - Terry Rinehart**

During the four-month period from July 1, 2011 to October 31, 2011, IPTV produced and facilitated 92 ICN sessions delivered throughout schools in Iowa reaching 1,097 sites altogether resulting in the production of 2,055 hours during this quarter period. So far for the year, IPTV is ahead of the previous year. IPTV continues to deploy marketing strategies, developing innovative sessions, and trying to grow that participation and usage by schools of the K-12 connection service. IPTV does a lot of career education for students in Iowa at all grade levels as well as work with reading motivation. IPTV tries to use the power of public television programs to help draw attention to ICN resources that are available. More importantly than the hours used, IPTV wants to make an impact and help teachers engage students in their learning.

### **Financial Updates – Deb Evans**

ICN's Finance Department has made some changes to the way they will be presenting reports to the ITTC. The narrative in the Budget-to-Actual report will be replaced with bullet points. The Lead Schedule will be reformatted with all the state appropriated funds and BTOP related funds being moved to separate pages. The Division believes these changes will provide a clearer picture of the actual operating budget and where the appropriations stand.

Installation costs have increased due to higher billable MAC (moves, adds and changes) hours and fiber installs. ICN had a fiber installation for a Part II site that was almost \$60,000. Outside plant expenses have increased due to build out locates. They're higher than normal, the ICN has spent \$20,000, and it's estimated to be higher than ever for ICN. They should go down but typically we have about \$21,000 to \$22,000 in locate costs and we already have \$20,000 in expenses this year, so those will continue to go up. Professional fees are down but that is because one of the bills has not been paid.

Line side revenues include ICN's business telephone lines which are mostly the Capitol Complex phones. The line side revenues continue to trend down. Voice revenue trending includes ICN's long distance, conference calling and calling cards. Voice is trending down but is starting to level out. Internet trending continues to move up. Ethernet trending is also going up.

ICN's total revenue for Data in Fiscal Year (FY) 2011 was \$19 million, with 30 percent of that going to telecom providers. For the first quarter of this year (FY 12), ICN was at 29 percent of the revenue passing through to telecom providers, but that should decrease slightly with the implementation of some pricing models ICN's business team is working on.

Within ICN's customer base 63 percent of the revenue comes from state government, 30 percent is Education and 16 percent are other vendors such as hospitals.

### **Approval of the Maintenance Contract Report (Action) – Mark Johnson**

This report is required under Iowa Code Chapter 8D which involves the review of ICN's existing maintenance contracts. This report has been reviewed by ICN Contracting, Engineering, and Network Operations staff. ICN confirms that contracted maintenance service vendors are capable of performing their contracted duties, so ICN recommends continuing funding for all those contracts.

Commissioner Cofield made a motion to approve the maintenance contract report; Commissioner Hardman seconded the motion: A roll call vote was taken. The report was approved unanimously.

Commissioner Cofield – Yes  
Commissioner Bruner – Yes  
Commissioner Hardman – Yes  
Commissioner Brandsgard – Yes

### **Sale/Lease RFP – Dave Lingren**

The RFP Implementation Team (RIT) was not mandated by law, but HF 45 wasn't very detailed regarding the Sale/Lease process the ITTC was to use, so it was decided that it would be advantageous to invite key stakeholders and representatives from each of the caucuses from the legislature to provide input into the RFP process. As the ITTC writes the RFP they will be considering the input of those stakeholders and legislators. The RIT had their first meeting on November 14, 2011, and it was well attended not only by the RIT members but also by the members of the private telecommunications industry and other interested parties. Information regarding the RIT meetings can be found at [www.icn.state.iowa.us](http://www.icn.state.iowa.us). The RIT has no decision-making authority or ability to tell the ITTC what to write in the RFP, it is simply allowing persons to voice their opinions, thoughts, and concerns on these issues.

### **Organizational Changes – Dave Lingren**

The Branstad administration, new leadership in the Department of Management (DOM), and the legislature, have all made it clear that there is an expectation for Executive Branch agencies to operate efficiently with increased cost containment. Although ICN is an independent Executive Branch Agency that does not receive General Fund appropriations, ICN believes it's still our role to participate in that process. Recently, ICN has reduced agency divisions from three to two. The former Service Delivery Division which was renamed, Business and Governmental Services has been combined with the Finance Division and will report to Mark Johnson who is now the Director of the Administration Division. Johnson will oversee those two functions as well as contracting and the legal liaison. The Network Operations and Engineering Division have been left intact under the Director Will Walling. Joe Cassis is now managing the Chief Communications Office to ensure that all the things ICN communicates are consistent and timely.

### **Certified User Waiver Requests (Action) – Phil Groner**

ICN has one Long distance (LD) voice service waiver request.

1. Board of Regents

Discussion:

This is a follow up to the Board of Regents (BOR) long distance waiver. ICN conducted a preliminary analysis based on the Commission's request. The analysis caused a few more questions that needed answering to get more facts. During the second review and analysis, ICN was able to do three things; first ICN was able to ascertain the actual number of minutes the BOR were using as a basis. The previous analysis was based on previous ICN usage that was a few years old. The total number of minutes was based on their current contract rates versus the ICN current rate they have an annual saving of \$90,000 based on the current rates they have. The second thing ICN confirmed was the local access charges. Those charges are for connectivity that the physical campuses have with the telephone companies to enable the long distance traffic to flow in and out of the campuses. ICN was able to confirm that Iowa State University had a separate contract which waived their local access fees so they pay nothing for those. The University of Iowa access charges totaled \$15,000 for the year and the University of Northern Iowa totaled \$1,800 annually. About \$17,000 in expenses subtracted from the \$90,000 in savings and you're still seeing positive annual savings for the BOR. The third item ICN was able to confirm was whether or not all the institutions identified in the BOR were in fact participating. Iowa State and the University of Iowa were participating but the University of Northern Iowa has had plans to move their office for the previous waivers but have not enabled that yet, but just the physical move of the numbers and long distance but their plan is still to do such and therefore they'd want to be included in the waiver as well.

Commissioner Hardman moved to approve the BOR waiver as amended; Commissioner Bruner seconded the motion: A roll call vote was taken.

Commissioner Cofield– Yes  
Commissioner Bruner – Yes  
Commissioner Hardman – Yes  
Commissioner Brandsgard – Yes

**Video Service Project Update – Phil Groner**

ICN continues to be on schedule with the Polycom core installation that is scheduled for the end of the year turn up and things have progressed on time and on budget. ICN has completed significant technical training for the Engineering and Network Operations team of the ICN and will be moving into training for the Business Services team. As for the rate discussions, the VSP rate subcommittee has met a couple of times since the last ITTC meeting and has reviewed the methodology and philosophy behind the rate proposal that was made. The team has taken into consideration how some things were done and are looking at some new models and information. The team will be on schedule to provide an alternate recommendation at the December 2011 commission meeting.

**Other Business:**

**2012 Meeting Dates**

Commissioners were asked to review their calendars for 2012 and communicate to Tami Fujinaka any conflicts or concerns they might have before Fujinaka schedules the meetings for 2012.

**Adjournment**

Commissioner Cofield made a motion that the meeting be adjourned; Commissioner Bruner seconded the motion: With there being no further business, the ITTC Commission meeting adjourned at 11:22 am.

ATTESTED TO:



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Betsy Brandsgard, Chair, Iowa Telecommunications and Technology  
Commission